



# Los Angeles Grand Avenue Authority



## **Board of Directors**

Hon. Gloria Molina, Chair  
Hon. Jan Perry, Vice Chair  
William T Fujioka, Secretary  
Cecilia V. Estolano  
Dale Bonner, Ex Officio

## **JUNE 15, 2009 MINUTES**

The twenty-ninth meeting of the Los Angeles Grand Avenue Authority was held June 15, 2009, at the Kenneth Hahn Hall of Administration, Room 374-A, 500 West Temple Street, Los Angeles, CA.

## **CALL TO ORDER**

Chairperson Gloria Molina called the meeting to order at 10:08 a.m. The following Directors were present constituting a quorum of the JPA Board:

Honorable Gloria Molina, First District Supervisor, County of Los Angeles  
Honorable Jan Perry, Ninth District Councilmember, City of Los Angeles  
William T Fujioka, Chief Executive Officer, County of Los Angeles  
Cecilia V. Estolano, Chief Executive Officer, Community Redevelopment Agency  
Dale Bonner, Ex-Officio

## **APPROVAL OF THE FEBRUARY 9, 2009 MINUTES**

On motion of Director Estolano, seconded by Director Fujioka and duly carried, the JPA Board approved the February 9, 2009 minutes as submitted.

## **GRAND AVENUE PROJECT STATUS REPORT – ANTONIA HERNÁNDEZ**

Antonia Hernández, President and Chief Executive Officer, California Community Foundation, and Vice Chairman of the Grand Avenue Committee, reported that the Civic Park Schematic Design was approved by the CRA Board on April 2, 2009 and the County Board of Supervisors on April 7, 2009. The team will provide a presentation on the Civic Park design, overview of the business plan, and review the budget for Fiscal Year 2009-10.

Director Fujioka asked Ms. Hernández of the process and timeframe to appoint the Board of Directors and recruit an Executive Director and staff. He also made inquiries of the formation of the 501(c)3.

Ms. Hernández informed the JPA Board that the Committee discussed the above mentioned items and she will provide a report later in the meeting.

## **SCHEMATIC DESIGN SUBMISSION FOR THE CIVIC PARK – MARTHA WELBORNE / MARK RIOS**

Martha Welborne, Managing Director, Grand Avenue Committee, reported that numerous outreach meetings and briefings were held prior to the CRA Board and County Board of Supervisors approvals of the Schematic Design, which resulted in strong approval of the plan. The Downtown Los Angeles Neighborhood Council voted to support the plan. Also, the Westside Urban Forum gave an award to the design for the park and is in support of the plan. The Committee proceeded with a Base Plan (of which the Schematic Design submittal is based on) until the State can provide \$27 million in additional funds; once received they will continue with an Enhanced Plan.

Mark Rios, FAIA, of Rios Clementi Hale Studios, gave a presentation on the Civic Park design and explained to the JPA Board three goals for the park. 1. To go green by converting one acre of hardscape into green areas and expanding the fountain; 2. To have a continuous connection of the park from Grand Avenue to City Hall's South lawn, including ADA accessibility and pedestrian walkways; and 3. Park programs to include community and private events and interactive activities for children.

Chair Molina addressed the timeline for the construction of the park and the ground breaking ceremony. Ms. Welborne reported it would take two years to construct the park once a contractor is secured. Director Perry requested staff follow-up on remarks made at past meetings regarding groundbreaking.

**On motion of Director Perry, seconded by Director Estolano and unanimously carried, the JPA Board approved the Schematic Design Submission for the Civic Park.**

## **BUSINESS PLAN ISSUES FOR THE CIVIC PARK – RELATED TEAM**

Stephen Eimer, Related Team, introduced Mary McCue, MJM Management Group, who gave the following report:

### Park Operations and Management Plan

MJM Management studied park operations including analysis of private management contracted through public agencies, non-profits and public sector management, such as Central Park in New York and Union Square Park in San Francisco. MJM Management also conducted analysis of management strategies and researched salaries regionally for Executive Director and programming positions.

### Events Market Study

MJM Management studied existing public and private events, including meetings with Program Directors interested in potentially moving their programs to Civic Park, such as Fiesta Broadway, and Grand Performances, located at California Plaza. Comprehensive surveys were conducted of existing event venues in the Los Angeles area. The rental costs and service fees quoted in the Civic Park Business Plan were based on findings from fees

paid by event planners, producers, film production companies and fees charged by other venues in Southern California.

### Operating Projections Summary

The budget drafted by MJM assumes a fully operational staff for the Civic Park and is based upon the Operations and Management Plan (expenses) and Events Market Study (revenues). The budget is projected over a five-year span and has two estimates based on future economic trends: Conservative and Optimistic.

Stephen Eimer added that under the Conservative spreadsheet the loss in net income by the park in its first year of operation would be \$161,061, but under the Optimistic spreadsheet would make a profit of \$337,883. In response to Director Estolano, there is a wide difference in Incremental Parking Income with the Conservative showing \$135,000 and the Optimistic showing \$690,000 because patronage of the park is contingent upon parking revenue. The more programming for the park the higher numbers in patronage is expected, resulting in an Optimistic total in Incremental Parking Income. Ms. McCue added that partial operation of the park will result in a Conservative total because attendance will not be at optimum levels. Mr. Eimer proposed that an economic reserve of \$700,000-\$1,000,000 be created for the park which was not listed in the budget.

### Major Issues

Martha Welborne reported that The Grand Avenue Committee recommended in the cover letter of their Business Plan dated April 23, 2009:

1. Establish a realistic schedule for the quickest development of the Civic Park.
2. Select a 501(c)3 approach with a decision later to determine that it remain a stand-alone entity or absorbed into an existing entity.
3. Select an Executive Director for the Civic Park.
4. Direct Incremental Parking Revenues from parking facilities below the park to support funding for the park, and that all retail profits generated in the park be directed towards funding the park, as well.
5. \$700,000 - \$1,000,000 to be earmarked in the capital budget from the \$56 million budgeted for park construction. These funds would serve as an operating reserve.

Director Estolano supported points 2 and 3. Director Fujioka commented that all can agree on point 1, but point 4 should be returned for further discussion. He had issues with point 5, because the amount earmarked as an operating reserve taken out of the construction budget is enormous compared to the Conservative projected totals in the Business Plan budget.

In response to Chair Molina, Ms. Hernández reported that the Committee would conduct the Executive Director search process with the JPA making the final decision, and

requested direction from the JPA as to how they want to proceed on the choice of a 501(c)3; do they want a separate one or do they prefer one joined into an existing one. Director Fujioka requested a report on all available options.

#### **PROPOSED AUTHORITY BUDGET FOR FY 09/10 – ANTONIA HERNANDEZ**

Ms. Hernández reported the phase out options of staff support employed by the California Community Foundation for the Grand Avenue Community. Martha Welborne initially proposed working part-time beginning July 1, 2009 and terminate on December 31, 2009. After extensive discussion at a Grand Avenue Committee meeting on June 12, 2009, it was recommended that Ms. Welborne should remain full-time until December 31, 2009, then part-time until June 30, 2010. The proposed budget for Fiscal Year 09/10 totals \$740,000.00, including costs for salaries, search firm, hiring of the park director, and other expenses. The revenue comes from the JPA interest, California Community Foundation In-Kind contributions and JPA payments of related reimbursements.

**On motion of Director Estolano, seconded by Director Perry and unanimously carried, the JPA Board approved the Los Angeles Grand Avenue Authority July 1, 2009 – June 30, 2010 Budget Option 2.**

#### **DISCUSSION OF FUTURE AGENDA ITEMS, DATE OF NEXT MEETING – MARTHA WELBORNE**

Ms. Welborne reported that the next JPA meeting is scheduled for July 27, 2009.

#### **PUBLIC COMMENT**

There was none.

#### **ADJOURNMENT**

There being no further business, Chairperson Molina adjourned the meeting at 11:11 a.m.